

AMENDED IN ASSEMBLY AUGUST 13, 2012

AMENDED IN ASSEMBLY JUNE 27, 2012

AMENDED IN ASSEMBLY JUNE 20, 2012

AMENDED IN SENATE MAY 29, 2012

AMENDED IN SENATE MAY 25, 2012

AMENDED IN SENATE APRIL 30, 2012

AMENDED IN SENATE MARCH 29, 2012

SENATE BILL

No. 1156

Introduced by Senator Steinberg

February 22, 2012

An act to add Part 1.86 (commencing with Section ~~34191.1~~) ~~34191.10~~) to Division 24 of the Health and Safety Code, and to amend Section 21094.5 of the Public Resources Code, relating to economic development, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 1156, as amended, Steinberg. Sustainable Communities Investment Authority.

The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities to address the effects of blight, as defined. Existing law dissolved redevelopment agencies and community development agencies, as of February 1, 2012, and provides for the designation of successor agencies. ~~Existing law requires that the successor agency, among other things, wind down the affairs of the former redevelopment agency and dispose of assets and properties of the former redevelopment agency, as directed by an oversight board.~~

Existing law provides for various economic development programs that foster community sustainability and community and economic development initiatives throughout the state.

This bill would authorize ~~the legislative bodies of the city and county~~ *certain public entities* of a ~~sustainable communities investment area~~ *Sustainable Communities Investment Area*, as described, to form a Sustainable Communities Investment Authority (authority) to carry out the Community Redevelopment Law in a specified manner. The bill would require the authority to adopt a ~~plan~~ *Sustainable Communities Investment Plan* for a ~~sustainable communities investment area~~ *Sustainable Communities Investment Area* and authorize the authority to include in that plan a provision for the receipt of tax increment funds provided that ~~specified~~ *certain economic development and planning* requirements are met. *The bill would authorize the legislative body of a city or county forming an authority to dedicate any portion of its net available revenue, as defined, to the authority through its Sustainable Communities Investment Plan. The bill would require the authority to contract for an independent financial and performance audit every 5 years.*

The bill would establish prequalification requirements for ~~construction contracts~~ *entities* that will receive more than \$1,000,000 from the Sustainable Communities Investment Authority and would require the Department of Industrial Relations to monitor and enforce compliance with prevailing wage requirements for specified projects *within a Sustainable Communities Investment Area*. The bill would deposit moneys received by the department from developer charges related to the costs of monitoring and enforcement in the State Public Works Enforcement Fund. By depositing a new source of revenue in the State Public Works Enforcement Fund, a continuously appropriated special fund, the bill would make an appropriation.

Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Part 1.86 (commencing with Section ~~34191.1~~)
- 2 ~~34191.10~~ is added to Division 24 of the Health and Safety Code,
- 3 to read:

PART 1.86. SUSTAINABLE COMMUNITIES INVESTMENT
PROGRAM

CHAPTER 1. GENERAL PROVISIONS

~~34191.1.~~

34191.10. (a) The Legislature finds and declares that better economic development patterns in California can contribute to greater economic growth by creating good jobs, reducing commuter times for employees, reducing the costs of public infrastructure, and reducing energy consumption. Better development patterns may also result in increased options in the type of housing available, more affordable housing, and a reduction in a household's combined housing and transportation costs.

(b) The construction industry has been one of the sectors hardest hit by the economic downturn of recent years. Creating incentives for construction can help restore construction and permanent jobs, which are essential for a restoration of prosperity.

(c) Economic development patterns can also help California attain some of its long-term strategic environmental objectives including reduced air pollution, greater water conservation, reduced energy consumption, and increased farmland and habitat preservation.

(d) Implementation of the growth plans identified by the metropolitan planning organizations in their sustainable communities strategies, and in particular the development of areas identified for transit priority projects, is essential if California is to achieve the multiple benefits that would result from economic development. Implementation of growth plans in transit priority *project* areas requires redevelopment of existing developed areas.

(e) In addition to economic pressures from the current recession, development of transit priority projects remains challenging. Infrastructure is often old and inadequate. Sites may suffer from contamination that is expensive to remediate. The high construction costs in urban areas, particularly for multifamily dwellings, create an additional challenge. For these reasons, it is critical to restructure and refocus redevelopment in California to assist in achievement of these multiple benefits.

(f) At the same time, California cannot afford a redevelopment program that causes schools to lose revenue at a time when

1 investing in education is also key to the state's economic
2 prosperity. A growth plan for the state consistent with regional
3 sustainable communities strategies must also provide that schools
4 are able to play their full role in achieving the future of California.
5 *In this regard, Section 16 of Article XVI of the California*
6 *Constitution does not require that all taxing agencies set aside*
7 *their portion of future property tax for tax increment. It defines*
8 *taxing agencies disjunctively as "any city, county, city and county,*
9 *district, or other public corporation."*

10 (g) The elimination of redevelopment agencies has resulted in
11 the loss of approximately one billion dollars (\$1,000,000,000)
12 annually in low- and moderate-income housing funds for
13 communities throughout the state. Communities need alternative;
14 ~~permanent~~ sources of revenue to support the continued production
15 of affordable housing units.

16 (h) The Legislature finds that a comprehensive strategy for the
17 long-term economic development of the state must encourage the
18 creation of good jobs and workforce skills needed to attract and
19 retain a high-wage workforce, in addition to public infrastructure
20 requirements. Public investments in human capital are as vital to
21 the long-term growth of the state's economy as investments in
22 physical capital.

23 34191.11. *The Legislature further finds and declares that*
24 *inefficient land use patterns cause an increased economic burden*
25 *on taxpayers for the costs of an inefficient transportation*
26 *infrastructure, and create a high combined economic cost of*
27 *housing and transportation for California residents. These*
28 *development patterns have also contributed to declining property*
29 *values and foreclosures in many communities. They create further*
30 *economic risks for the agricultural industry, the largest industry*
31 *in California, through the loss of critical farmland. They also result*
32 *in increased air pollution, energy consumption, and greenhouse*
33 *gas emissions which impose additional costs on business and*
34 *damage public health. They also lead to inefficient consumption*
35 *of water, a critical resource for all of California.*

36 34191.12. *The Legislature finds and declares that the*
37 *interrelated problems identified in this chapter are a form of blight*
38 *that can be addressed through a new Sustainable Communities*
39 *Investment Program.*

1 34191.13. *In order to more effectively address blight, the*
2 *program shall be established to support development in transit*
3 *priority project areas and small walkable communities and to*
4 *support clean energy manufacturing through tax increment*
5 *revenue. This new program shall use tax increment revenue to*
6 *fight blight as it is understood in the contemporary setting without*
7 *including those aspects of the former redevelopment program that*
8 *created so much controversy, including the manipulation of the*
9 *definition of blight and the use of the school share of tax increment*
10 *revenue, such that it became a drain on the General Fund. The*
11 *new program, focused on certain geographic areas and sites, shall*
12 *require greater levels of intergovernmental collaboration.*

13 34191.14. *It is the intent of the Legislature in establishing the*
14 *Sustainable Communities Investment Program to create a new,*
15 *collaborative structure for the creation of a governing board for*
16 *a Sustainable Communities Investment Authority and to allow*
17 *governmental entities through a consensual process to invest tax*
18 *increment revenue to relieve conditions of blight as prescribed by*
19 *the Legislature. The new authority shall have new planning*
20 *obligations and, in particular, shall have a new focus on the job*
21 *creation associated with new economic development. To the extent*
22 *not inconsistent with the new program, the authority shall be able*
23 *to exercise the powers of the former redevelopment agencies, but*
24 *only as part of this newly created and reformed program.*

25 ~~34191.2.~~

26 34191.15. For purposes of this part, “authority” or “Sustainable
27 Communities Investment Authority” means the entity formed under
28 Chapter 2 (commencing with Section ~~34191.10~~) 34191.20).
29

30 CHAPTER 2. SUSTAINABLE COMMUNITIES INVESTMENT
31 AUTHORITY
32

33 ~~34191.10.~~

34 34191.20. (a) A Sustainable Communities Investment
35 Authority is a public body, corporate and politic, that may be
36 ~~formed and~~ created by the appointment of a governing board as
37 provided in subdivision (d). The authority shall comply with the
38 provisions of this part, the Community Redevelopment Law (Part
39 ~~1.8~~ 1 (commencing with Section 33000))—~~and, Part 1.5~~
40 (commencing with Section 34000), Part 1.6 (commencing with

1 *Section 34050, and Part 1.7 (commencing with Section 34100), to*
2 *the extent not inconsistent with this part. The authority shall not*
3 *be subject to the provisions of Part 1.8 (commencing with Section*
4 *34161) and Part 1.85 (commencing with Section 34170).*

5 (b) The authority shall be deemed to be an “agency” pursuant
6 to Section 33003 and shall have all the rights, responsibilities, and
7 obligations of an agency; ~~except that a determination shall not be~~
8 ~~required to be made regarding blight within the sustainable~~
9 ~~communities investment area, and an action shall not be required~~
10 ~~to be taken for the elimination of blight in connection with the~~
11 ~~creation of a plan for a sustainable communities investment area.~~
12 *For purposes of this part, a project area shall be referred to as a*
13 *Sustainable Communities Investment Area and a redevelopment*
14 *plan shall be referred to as a Sustainable Communities Investment*
15 *Plan.*

16 (e) ~~An authority formed pursuant to this part shall adopt a plan~~
17 ~~for a sustainable communities investment area pursuant to this~~
18 ~~section.~~

19 (d) ~~A sustainable communities investment plan shall terminate~~
20 ~~on a specified date not to exceed 30 years from the date of the first~~
21 ~~issuance of bond indebtedness by the authority.~~

22 (c) *An authority created pursuant to this part may rely on the*
23 *legislative determination of blight and shall not be required to*
24 *make a separate finding of blight or conduct a survey of blight*
25 *within the project area.*

26 (e)

27 (d) An authority may be ~~formed~~ *created* as follows:

28 (1) ~~A sustainable communities investment area within an~~
29 ~~incorporated area may be formed in any of the following ways:~~

30 (A) ~~The legislative bodies of the city and county representing~~
31 ~~the geographic territory of a sustainable communities investment~~
32 ~~area may form a Sustainable Communities Investment Authority~~
33 ~~pursuant to this part by entering into a joint powers authority under~~
34 ~~Chapter 5 (commencing with Section 6500) of Title 1 of the~~
35 ~~Government Code to establish the parameters of the proposed~~
36 ~~economic development within a proposed sustainable communities~~
37 ~~investment area.~~

38 (B) ~~A legislative body of a city may form the governing board~~
39 ~~and establish the parameters of the proposed economic~~
40 ~~development within a proposed sustainable communities~~

1 investment area provided the economic development parameters
2 are approved by the county.

3 ~~(C) A city and county may appoint a governing board for a~~
4 ~~sustainable communities investment area comprised of three~~
5 ~~members appointed by the city with geographic jurisdiction and~~
6 ~~two appointed by the county with geographic jurisdiction.~~

7 ~~(D) If a sustainable communities investment area consists of a~~
8 ~~single project and 100 percent of tax increment revenue is invested~~
9 ~~in the project, then a legislative body of a city may appoint a~~
10 ~~governing board, subject to county approval of the designation of~~
11 ~~the sustainable communities investment area.~~

12 *(1) A city, county, city and county, or a special district may*
13 *create an authority pursuant to this part by entering into a joint*
14 *powers agreement under Chapter 5 (commencing with Section*
15 *6500) of Division 7 of Title 1 of the Government Code. The joint*
16 *powers agreement shall establish a governing board and designate*
17 *the Sustainable Communities Investment Area.*

18 *(2) A city may create an authority, appoint the authority*
19 *governing board, designate a Sustainable Communities Investment*
20 *Area within the city's incorporated area, and establish the*
21 *parameters of the proposed economic development within a*
22 *proposed Sustainable Communities Investment Area with county*
23 *approval of the economic development parameters and the*
24 *Sustainable Communities Investment Plan, including any*
25 *amendments to the plan.*

26 *(3) A city and a county may create an authority and appoint the*
27 *authority governing board, which shall be comprised of two*
28 *members appointed by the city and two members appointed by the*
29 *county. A fifth member shall be appointed by the two city and the*
30 *two county members. The governing board shall designate the*
31 *Sustainable Communities Investment Area. A Sustainable*
32 *Communities Investment Plan, including any amendments to it,*
33 *shall be approved by both the city and the county. The Sustainable*
34 *Communities Investment Area may include an incorporated area*
35 *or both an incorporated area and an unincorporated area.*

36 ~~(2)~~

37 ~~(4) If the sustainable communities investment area Sustainable~~
38 ~~Communities Investment Area is within an unincorporated area,~~
39 ~~the Sustainable Communities Investment Authority may be formed~~

1 ~~by the board of supervisors of a county or city and county may~~
2 ~~create an authority and appoint the authority governing board.~~

3 (5) A city may create an authority, which shall constitute a
4 legally distinct entity from that city, and appoint the authority
5 governing board, which may designate a Sustainable Communities
6 Investment Area only within the incorporated limits of that city.

7 (e) If an authority is created pursuant to this section by an entity
8 that is a city and county the governing body shall be composed of
9 five members appointed by the mayor of the city, if that
10 appointment is subject to confirmation by the county board of
11 supervisors.

12 (f) Any city or county approval under this section shall be by
13 resolution of the legislative body.

14 (g) A taxing agency participating in or approving the formation
15 of Sustainable Communities Investment Authority or appointing
16 governing board members may authorize an allocation to the
17 authority of all or part of the tax increment revenue that otherwise
18 would be paid to that taxing agency.

19 ~~(b)~~

20 (h) A governing board ~~formed~~ appointed pursuant to this section
21 shall consist of five members. The members of any governing
22 board formed pursuant to this part shall be appointed for four-year
23 terms and shall ~~only~~ be removed by the appointing authority ~~only~~
24 for cause. The initial appointees to the governing board shall serve
25 either two-year or four-year terms and shall draw their terms by
26 lot. An authority created pursuant to this section shall be deemed
27 to be a local public agency subject to the Ralph M. Brown Act
28 (Chapter 9 (commencing with Section 54950) of Part 1 of Division
29 2 of Title 5 of the Government Code), the California Public Records
30 Act (Chapter 3.5 (commencing with Section 6250) of Division 7
31 of Title 1 of the Government Code), and the Political Reform Act
32 of 1974 (Title 9 (commencing with Section 81000) of the
33 Government Code).

34
35 CHAPTER 3. SUSTAINABLE COMMUNITIES INVESTMENT AREAS

36
37 ~~34191.15.~~

38 ~~34191.25. A sustainable communities investment area shall~~
39 (a) A Sustainable Communities Investment Area shall include
40 only the following:

~~(a) For areas within the geographic boundaries of a metropolitan planning organization where a sustainable communities strategy has been adopted by the metropolitan planning organization, and the State Air Resources Board, pursuant to subparagraph (H) of paragraph (2) of subdivision (b) of Section 65080 of the Government Code, has accepted the metropolitan planning organization's determination that the sustainable communities strategy would, if implemented, achieve the greenhouse gas emission reduction targets:~~

~~(1) Transit priority *project* areas, which are areas where a transit priority project, as defined in Section 21155 of the Public Resources Code, may be constructed, provided that if the sustainable communities investment area *Sustainable Communities Investment Area* is based on proximity to a planned major transit stop or a high-quality transit corridor, the stop or the corridor must be scheduled to be completed within the planning horizon established by Section 450.322 of Title 23 of the Code of Federal Regulations. For purposes of this paragraph, a transit priority *project* area may include a military base reuse plan that meets the definition of a transit priority *project* area and it may include a contaminated site within a transit priority *project* area.~~

~~(A) If the Sustainable Communities Investment Area includes a high-speed rail station, the radius of the area may be up to one mile from a high-speed rail station. If the project area consists of a radius greater than one-half of one mile, at least 50 percent of tax increment revenue derived from the area shall be used to support construction of the high-speed rail station and related infrastructure.~~

~~(B) All or part of a transit priority project area may be included in the Sustainable Communities Investment Area or an area may include one or more contiguous transit priority project areas. One or more Sustainable Communities Investment Areas may be created pursuant to subdivision (d) of Section 34191.20.~~

~~(C) Transit priority project areas shall be within the geographic boundaries of a metropolitan planning organization in which a sustainable communities strategy has been adopted by the metropolitan planning organization, and the State Air Resources Board, pursuant to subparagraph (H) of paragraph (2) of subdivision (b) of Section 65080 of the Government Code, has accepted the metropolitan planning organization's determination~~

1 *that the sustainable communities strategy would, if implemented,*
2 *achieve the region's greenhouse gas emission reduction targets.*

3 (2) Areas that are small walkable communities, as defined in
4 paragraph (4) of subdivision (e) of Section 21094.5 of the Public
5 Resources Code, except that small walkable communities may
6 also be designated in a city that is within the area of a metropolitan
7 planning organization. No more than one small walkable
8 community project area shall be designated within a city. *All or*
9 *part of a small walkable community may be included in the*
10 *Sustainable Communities Investment Area.*

11 (b) Sites that have land use approvals, covenants, conditions
12 and restrictions, or other effective controls restricting the sites to
13 clean energy manufacturing, and that are consistent with the use,
14 designation, density, building intensity, and applicable policies
15 specified for the ~~sustainable communities investment area~~
16 *Sustainable Communities Investment Area* in the *applicable*
17 *sustainable communities strategy*, if those sites are within the
18 geographic boundaries of a metropolitan planning organization.
19 Clean energy manufacturing shall consist of the manufacturing of
20 any of the following:

21 (1) Components, parts, or materials for the generation of
22 renewable energy resources.

23 (2) Equipment designed to make buildings more energy efficient
24 or the component parts thereof.

25 (3) Public transit vehicles or the component parts thereof.

26 (4) Alternative fuel vehicles or the component parts thereof.
27

28 *CHAPTER 4. SUSTAINABLE COMMUNITIES INVESTMENT PLAN*
29

30 ~~34191.16.~~

31 ~~34191.26. (a) A plan for a sustainable communities investment~~
32 ~~area adopted pursuant to Section 34191.15~~ *Sustainable*
33 *Communities Investment Plan* may include a provision for the
34 receipt of tax increment funds according to Section 33670, provided
35 that the local government with land use jurisdiction has adopted
36 all of the following:

37 (1) A sustainable parking standards ordinance that restricts
38 parking in transit priority project areas to encourage transit use to
39 the greatest extent feasible.

~~(2) An ordinance creating a jobs plan. All entities receiving financial support from the authority shall, at a minimum, require that any and all agreements approved by the authority include a jobs plan, which shall describe how the project will further create construction careers that pay prevailing wages, living wage permanent jobs, and a create program for community outreach, local hire, and job training. This plan shall also describe the project developer's commitment to offer jobs to disadvantaged California residents, including veterans of the Iraq and Afghanistan wars, people with a history in the criminal justice system, and single-parent families.~~

(2) An ordinance creating a jobs plan that requires all entities receiving financial support from the authority to enter into an agreement with the authority describing how the project will do both of the following:

(A) Further construction careers that pay prevailing wages and create living wage permanent jobs.

(B) Implement a program for community outreach, local hire, and job training that includes disadvantaged California residents, including veterans of the Iraq and Afghanistan wars, people with a history in the criminal justice system, and single-parent families.

~~(3) For transit priority project areas and small walkable communities within a metropolitan planning organization, a plan consistent with the use designation, density, building intensity, and applicable policies specified for the sustainable communities investment area—Sustainable Communities Investment Area in the sustainable communities strategy—and that, for new residential construction, provides a density of at least 20 dwelling units per net acre and for nonresidential uses, provides a minimum floor area ratio of 0.75.~~

~~(4) Within small walkable communities outside a metropolitan planning organization, a plan for new residential construction that provides a density of at least 20 dwelling units per net acre and, for nonresidential uses, provides a minimum floor area ratio of 0.75.~~

~~(b) For areas referred to in paragraph (4) of subdivision (a), the authority shall obtain consult with the metropolitan planning organization's concurrence that organization to obtain its opinion whether the plan is consistent with the use designation, density,~~

1 building intensity, and applicable policies for the project area in
2 the sustainable communities strategy.

3 ~~(e) For purposes of Section 16 of Article XVI of the California~~
4 ~~Constitution and in the event a tax increment financing provision~~
5 ~~is included pursuant to subdivision (a), the terms “district” and~~
6 ~~“affected taxing entity” shall exclude a school district and special~~
7 ~~districts.~~

8 *34191.27. (a) Upon adoption of a Sustainable Communities*
9 *Investment Plan that includes the tax increment financing provision*
10 *authorized by subdivision (a) of Section 34191.26, the assessor*
11 *shall allocate tax increment revenue to the authority as follows:*

12 *(1) If the authority was formed pursuant to paragraph (1) of*
13 *subdivision (d) of Section 34191.20, the authority shall be allocated*
14 *each year specified in the plan that portion of the levied taxes for*
15 *each city, county, city and county, and special district that is a*
16 *party to the joint powers authority in excess of the amount specified*
17 *in subdivision (a) of Section 33670.*

18 *(2) If the authority was formed pursuant to paragraph (2) or*
19 *(3) of subdivision (d) of Section 34191.20, the authority shall be*
20 *allocated each year specified in the plan that portion of the levied*
21 *taxes for the city and the county in excess of the amount specified*
22 *in subdivision (a) of Section 33670.*

23 *(3) If the authority was formed pursuant to paragraph (4) of*
24 *subdivision (d) of Section 34191.20, the authority shall be allocated*
25 *each year specified in the plan that portion of the levied taxes for*
26 *the county in excess of the amount specified in subdivision (a) of*
27 *Section 33670.*

28 *(4) If the authority was formed pursuant to paragraph (5) of*
29 *subdivision (d) of Section 34191.20, the authority shall be allocated*
30 *each year specified in the plan that portion of the levied taxes for*
31 *the city in excess of the amount specified in subdivision (a) of*
32 *Section 33670.*

33 *(5) Any city, county, city and county, or special district may, by*
34 *resolution of its board, authorize the county assessor to allocate*
35 *that portion of the levied taxes for that entity in excess of the*
36 *amount specified in subdivision (a) of Section 33670.*

37 *(6) Any allocation of revenues to the authority made pursuant*
38 *to this subdivision shall be adjusted to comply with the provisions*
39 *of subdivision (g) of Section 34191.20.*

1 ***(b) If a Sustainable Communities Investment Area includes, in***
2 ***whole or in part, land formerly or currently designated as a part***
3 ***of a redevelopment project area, as defined in Section 33320.1,***
4 ***any Sustainable Communities Investment Plan adopted pursuant***
5 ***to this part that includes a provision for the receipt of tax increment***
6 ***revenues according to Section 33670 shall include a provision***
7 ***that tax increment amounts collected and received by an authority***
8 ***are subject and subordinate to any preexisting enforceable***
9 ***obligation, as that term is defined in Section 34171.***

10 ***(c) The legislative body of the city or county forming an***
11 ***authority may choose to dedicate any portion of its net available***
12 ***revenue to the authority through the Sustainable Communities***
13 ***Investment Plan. The plan shall state that net available revenue***
14 ***from the city or county may be used by the authority in accordance***
15 ***with this part, and state the maximum portion of the net available***
16 ***revenue to be committed to the authority for each year during***
17 ***which the authority will receive these revenues. The portion may***
18 ***vary over time. The plan shall state the date upon which the***
19 ***authority will cease to receive net available revenue, which shall***
20 ***be no later than the date specified pursuant to subdivision (d) of***
21 ***Section 34191.10.***

22 ***(d) For purposes of this section, “net available revenue” means***
23 ***periodic distributions to the city or county from the Redevelopment***
24 ***Property Tax Trust Fund, created pursuant to Section 34170.5,***
25 ***that are available to the city or county after all preexisting legal***
26 ***commitments and statutory obligations funded from that revenue***
27 ***are made pursuant to Part 1.85 (commencing with Section 34170).***
28 ***Net available revenue shall include only revenue remaining after***
29 ***all current distributions, including, but not limited to, payment of***
30 ***enforceable obligations, all distributions to other taxing entities,***
31 ***and applicable administrative fees, have been made.***

32 ***34191.28. A Sustainable Communities Investment Plan, in***
33 ***addition to the applicable requirements of Part 1 (commencing***
34 ***with Section 33000) shall include all of the following:***

35 ***(a) A fiscal analysis setting forth the projected receipt of tax***
36 ***increment and other revenue and projected expenses over five-year***
37 ***planning horizons for the life of the authority.***

38 ***(b) A statement of the principal goals and objectives of the plan***
39 ***together with findings of the public purposes and uses that will be***
40 ***achieved.***

1 (c) A statement of how the plan will relieve blight as follows:

2 (1) How it will implement the goals of a sustainable communities
3 strategy, if the Sustainable Communities Investment Area is within
4 a metropolitan planning organization.

5 (2) How it will contribute to a more efficient transportation
6 infrastructure.

7 (3) How it will contribute to a reduced cost for the combined
8 costs of housing and transportation for California residents.

9 (4) How it will contribute to improved public health.

10 (5) How it will promote more efficient water consumption.

11 (6) How it will avoid loss of prime farmland.

12 (7) How it will reduce air pollution, energy consumption and
13 greenhouse gas emissions by reducing vehicle miles traveled.

14 (d) A statement of how the plan will implement the sustainable
15 parking standards adopted pursuant to paragraph (1) of
16 subdivision (a) of Section 34191.26.

17 (e) A statement of how the plan will implement the jobs plan
18 adopted pursuant to paragraph (2) of subdivision (a) of Section
19 34191.26.

20 (f) A Sustainable Communities Investment Plan may include,
21 to the extent applicable to the area, any of the following:

22 (1) Affordable and farmworker housing.

23 (2) Transitional and supportive housing including, but not
24 limited to, former foster youth, persons with mental health
25 treatment needs, persons with substance use disorder treatment
26 needs, and various offender populations.

27 (3) Health and safety related infrastructure investments for
28 disadvantaged and rural communities.

29 (4) Infrastructure investments to support countywide services
30 including, but not limited to, health clinics, hospitals, medical
31 provider offices, child care facilities, day reporting centers, and
32 grocery stores in food desert areas.

33 ~~34191.18.~~

34 34191.29. A state or local public pension fund system
35 authorized by state law or local charter, respectively, including,
36 but not limited to, the Public Employees' Retirement System, the
37 State Teachers' Retirement System, a system established under
38 the County Employees Retirement Law of 1937, Chapter 3
39 (commencing with Section 31450) of Part 3 of Division 4 of Title
40 3 of the Government Code, or an independent system, may invest

capital in the public infrastructure projects and private commercial and residential developments undertaken by an authority.

~~34191.19.~~

34191.30. (a) An authority may exercise the full powers granted under Chapter 2.8 (commencing with Section 53395) of Part 1 of Division 2 of Title 5 of the Government Code and the Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code).

(b) An authority may implement a local transactions and use tax under Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, except that the resolution authorizing the tax may designate the use of the proceeds of the tax.

(c) An authority may issue bonds paid for with authority proceeds, which shall be deemed to be special funds to be expended by the authority for the purposes of carrying out this part.

34191.31. *Every five years the authority shall contract for an independent financial and performance audit. The audit shall be conducted according to guidelines established by the Controller. A copy of the completed audit shall be provided to the Controller, the Director of the Department of Finance, and to the Joint Legislative Budget Committee.*

CHAPTER 4.5. PREQUALIFICATION REQUIREMENTS

~~34191.20.~~

34191.35. ~~All construction contracts~~ *entities that will receive in excess of one million dollars (\$1,000,000) on projects that will receive more than one million dollars (\$1,000,000) from the Sustainable Communities Investment Authority, including projects undertaken by private developers, shall comply with the following prequalification process for all construction contracts or subcontracts:*

(a) ~~The authority~~ *entity* shall require that each prospective bidder ~~on a construction contract~~ complete and submit to the authority a standardized questionnaire and financial statement in a form specified by the authority that includes a complete statement of the prospective bidder's financial ability and experience in performing ~~public works~~ *large construction contracts*. The

1 questionnaire and financial statement shall be verified under oath
2 by the bidder in the manner in which civil pleadings in civil actions
3 are verified. The questionnaires and financial statements shall not
4 be public records and shall not be open to public inspection.

5 (b) The *entity receiving funding from the* authority shall adopt
6 and apply a uniform system of rating bidders on the basis of the
7 completed questionnaires and financial statements, in order to
8 determine the size of the contracts, if any, upon which each bidder
9 shall be deemed qualified to bid.

10 (c) The questionnaire described in subdivision (a) and the
11 uniform system of rating bidders described in subdivision (b) shall
12 cover, at a minimum, the issues covered by the standardized
13 questionnaire and model guidelines for rating bidders developed
14 by the Department of Industrial Relations pursuant to subdivision
15 (a) of Section 20101 of the Public Contract Code.

16 (d) For purposes of this section, bidders shall include all
17 subcontractors performing work on a contract in excess of 3 percent
18 of the total cost.

19 (e) A bid shall not be accepted from any person or entity who
20 is required to submit a completed questionnaire and financial
21 statement for prequalification pursuant to subdivision (a) but has
22 not done so by the deadline set by the ~~authority~~ *entity* or who has
23 not been prequalified by the authority prior to the deadline for
24 submission of bids.

25 (f) This section shall not prevent an *entity or the* authority *itself*
26 from establishing additional prequalification requirements.

27 ~~34191.21.~~

28 ~~34191.36.~~ (a) (1) ~~The~~ *Within a Sustainable Communities*
29 *Investment Area, the* Department of Industrial Relations shall
30 monitor and enforce compliance with prevailing wage requirements
31 for any project paid for in whole or part out of public funds, within
32 the meaning of subdivision (b) of Section 1720 of the Labor Code
33 that include funds of a Sustainable Communities Investment
34 Authority and shall charge each awarding body or developer for
35 the reasonable and directly related costs of monitoring and
36 enforcing compliance with the prevailing wage requirements on
37 each project.

38 (2) All moneys received by the department pursuant to this
39 section shall be deposited in the State Public Works Enforcement
40 Fund created by Section 1771.3 of the Labor Code.

(b) Paragraph (1) of subdivision (a) shall not apply to any project paid for in whole or part out of public funds if the awarding body or developer has entered into a collective bargaining agreement that binds all of the contractors performing work on the project and includes a mechanism for resolving disputes about the payment of wages.

SEC. 2. Section 21094.5 of the Public Resources Code is amended to read:

21094.5. (a) (1) If an environmental impact report was certified for a planning level decision of a city or county, the application of this division to the approval of an infill project shall be limited to the effects on the environment that (A) are specific to the project or to the project site and were not addressed as significant effects in the prior environmental impact report or (B) substantial new information shows the effects will be more significant than described in the prior environmental impact report. A lead agency's determination pursuant to this section shall be supported by substantial evidence.

(2) An effect of a project upon the environment shall not be considered a specific effect of the project or a significant effect that was not considered significant in a prior environmental impact report, or an effect that is more significant than was described in the prior environmental impact report if uniformly applicable development policies or standards adopted by the city, county, or the lead agency, would apply to the project and the lead agency makes a finding, based upon substantial evidence, that the development policies or standards will substantially mitigate that effect.

(b) If an infill project would result in significant effects that are specific to the project or the project site, or if the significant effects of the infill project were not addressed in the prior environmental impact report, or are more significant than the effects addressed in the prior environmental impact report, and if a mitigated negative declaration or a sustainable communities environmental assessment could not be otherwise adopted, an environmental impact report prepared for the project analyzing those effects shall be limited as follows:

(1) Alternative locations, densities, and building intensities to the project need not be considered.

(2) Growth inducing impacts of the project need not be considered.

(c) This section applies to an infill project that satisfies both of the following:

(1) The project satisfies any of the following:

(A) Is consistent with the general use designation, density, building intensity, and applicable policies specified for the project area in either a sustainable communities strategy or an alternative planning strategy for which the State Air Resources Board, pursuant to subparagraph (H) of paragraph (2) of subdivision (b) of Section 65080 of the Government Code, has accepted a metropolitan planning organization's determination that the sustainable communities strategy or the alternative planning strategy would, if implemented, achieve the greenhouse gas emission reduction targets.

(B) Consists of a small walkable community project located in an area designated by a city for that purpose.

(C) Is located within the boundaries of a metropolitan planning organization that has not yet adopted a sustainable communities strategy or alternative planning strategy, and the project has a residential density of at least 20 units per net acre or a floor area ratio of at least 0.75.

(2) Satisfies all applicable statewide performance standards contained in the guidelines adopted pursuant to Section 21094.5.5.

(d) This section applies after the Secretary of the Natural Resources Agency adopts and certifies the guidelines establishing statewide standards pursuant to Section 21094.5.5.

(e) For the purposes of this section, the following terms mean the following:

(1) "Infill project" means a project that meets the following conditions:

(A) Consists of any one, or combination, of the following uses:

(i) Residential.

(ii) Retail or commercial, where no more than one-half of the project area is used for parking.

(iii) A transit station.

(iv) A school.

(v) A public office building.

(B) Is located within an urban area on a site that has been previously developed, or on a vacant site where at least 75 percent

1 of the perimeter of the site adjoins, or is separated only by an
2 improved public right-of-way from, parcels that are developed
3 with qualified urban uses.

4 (2) “Planning level decision” means the enactment or
5 amendment of a general plan, community plan, specific plan, or
6 zoning code.

7 (3) “Prior environmental impact report” means the
8 environmental impact report certified for a planning level decision,
9 as supplemented by any subsequent or supplemental environmental
10 impact reports, negative declarations, or addenda to those
11 documents.

12 (4) “Small walkable community project” means a project that
13 is located in a small walkable community project area. A small
14 walkable community project area means an area within an
15 incorporated city that is not within the boundary of a metropolitan
16 planning organization and meets all the following requirements:

17 (A) Has a project area of approximately one-quarter-mile
18 diameter of contiguous land completely within the existing
19 incorporated boundaries of the city.

20 (B) Has a project area that includes a residential area adjacent
21 to a retail downtown area.

22 (C) The project area has an average net density of at least eight
23 dwelling units per net acre or a floor area ratio for retail or
24 commercial use of not less than 0.50. For purposes of this
25 subparagraph: (i) “Floor area ratio” means the ratio of gross
26 building area (GBA) of development, exclusive of structured
27 parking areas, proposed for the project divided by the total net lot
28 area (NLA); (ii) “gross building area” means the sum of all finished
29 areas of all floors of a building included within the outside faces
30 of its exterior walls; and (iii) “net lot area” means the area of a lot
31 excluding publicly dedicated land, private streets that meet local
32 standards, and other public use areas as determined by the local
33 land use authority.

34 (5) “Urban area” includes either an incorporated city or an
35 unincorporated area that is completely surrounded by one or more
36 incorporated cities that meets both of the following criteria:

37 (A) The population of the unincorporated area and the
38 population of the surrounding incorporated cities equal a population
39 of 100,000 or more.

- 1 (B) The population density of the unincorporated area is equal
- 2 to, or greater than, the population density of the surrounding cities.